



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

June 16, 2010

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 100613: Memorandum of Understanding (MOU) with Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO, Supervising Probation Officers (Supervising Probation Officers)

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the Supervising Probation Officers. The MOU applies to the period commencing July 1, 2010 through June 30, 2012, affecting 21 authorized positions with a salary base of approximately \$1.8 million and an overall pay and benefits base of approximately \$2.1 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), the Supervising Probation Officers have agreed to the terms outlined in the summary letter.

Based on our analysis, the MOU will result in a \$96,000 savings in FY 2010-11 as compared to base budget. During the term of the agreement, represented employees shall observe 12 unpaid furlough days in FY2010-11 and an additional 12 days in FY2011-12. Wages will be reduced by 4.5% during FY2010-11, increasing to 5% on July 9, 2011, resulting in an additional \$4,000 in savings in FY2011-12. These reductions end on June 8, 2012.

The MOU provides that employees who retire during the term of the agreement whose compensation is impacted by the furlough will receive a payment equaling the pensionable value of the unpaid days that impact the retirement benefit. This will result in a cost to the City that will be determined by San Francisco Employees' Retirement System and is dependent on each retiree's circumstances.

The health benefits provisions the Supervising Probation Officers agreed to as a PEC member would not result in savings in FY2011-12, as there are currently no employees in the bargaining unit that fall under the most expensive plan.

The cost of continuing existing health and dental benefits provided in the MOU will increase by approximately \$96,000 in FY 2010-2011. If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,


Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Memo of Understanding, July 1, 2010 - June 30, 2012
Supervising Probation Officers, Local 3
Estimated Costs/(Savings) FY 2010-2012
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
12 furlough days smoothed:		
July 1, 2010 - July 8, 2011 wage reduced by 4.5%	(\$81,569)	(\$3,660)
July 9, 2011 - June 8, 2012 wage reduced by 5%		
Wage-Related Fringe Increases/(Decreases)	<u>(\$14,912)</u>	<u>(\$669)</u>
Benefits		
Cap on City contribution for medically single City Plan employees if \$3 million in savings can't be found		
Total Estimated Incremental Costs/(Savings)	<u>(\$96,481)</u>	<u>(\$4,329)</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$5,227	\$5,550